Acquisition Reform

**** Update ****

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A year later in Specifications and Standards Reform

Performance and Commercial Specifications Usage

The Department of the Navy is actively embracing Secretary Perry's June 94 policy requiring the use of performance and commercial specifications and reducing the use of military specifications and standards in ACAT program solicitations. Specs and standards reduction success stories are routinely cited by Program Managers as they prepare for upcoming Milestone Decisions and the subsequent solicitation release. The changes in the way we write our requirements are not simply being made on paper, but are reflected in the attitudes and beliefs of our acquisition managers. Recognizing the value of using best commercial practices, Program Managers are taking advantage of state-of-the-art commercial technology. Government/Industry teaming arrangements are commonplace in acquisition programs when preparing solicitation packages. Industry is helping the Government eliminate non-value-added requirements from the solicitation process.

Though the reasonable expectation of the resultant streamlined solicitation would be more efficient execution by the contractor, quantifying cost savings from specs and standards reform has been elusive. However, some estimates are available, such as on the PEO(T) JSOW Unitary program where cost savings from reducing the use of specifications and standards during E&MD is predicted to be approximately $120M.

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There are good reasons for using performance and commercial specifications in solicitations. As validated by the bottoms-up review conducted by Program Managers, there is also the need to retain a limited number of military specifications

and standards. The military specifications and standards were retained when they represented military-unique requirements dictated by the operating environment, such as for shock, EMI, vibration, ordnance safety, and reliability. Military specifications and standards were also necessary to operate and maintain the systems within the DoN logistics support/technical data infrastructure, at times representing the preferred technical or management practices, such as software development. Military specifications and standards often contain "lessons learned." They are part of a "body of knowledge," that should be retained for future reference.

One consequence of the policy to use performance and commercial specifications in place of military specifications and standards is the necessity for Government technical expertise to be a "smart buyer" of available and acceptable commercial standards and practices. In some cases, Industry prefers to use military specifications and standards because these have been adopted as internal processes and procedures, or on the basis of personnel knowledge.

The following paragraphs provide some examples of Program Manager activity occurring over the last ten months to reduce the use of military specifications and standards on ACAT Program solicitations. These contain "lessons learned."

1. **PEO(USW) MK 48 ADCAP Heavyweight Torpedo Program.**

Program personnel initially identified 75 military specifications and standards cited as requirements in the RFP. The requirements were reviewed from the "top" and only those considered essential were retained and written to the maximum extent in performance-terms. The resultant RFP cited five military documents.

2. **PEO(SUB) Photonics Mast Program and ASTECS (Advanced Submarine Tactical ESM Combat System) Program**

The Photonics program solicitation initially cited 129 military specifications and standards. After review, 79 documents were eliminated, 16 were replaced with commercial specifications, and 34 were retained. The ASTECS program solicitation initially cited 105 military specifications and standards. After review, 40 documents were eliminated, 30 were replaced with commercial specifications, and 35 were retained.

3. **PEO(TAD) Standard Missile Program**

This Program Office utilized an Integrated Product Team approach teaming Government and Industry personnel to review and eliminate unnecessary requirements. The results of the review included a reduction in the use of military specifications and standards from 457 to 22, a reduction in the number of data requirements from 525 to 242, and a reduction in test equipment certifications from 55 to 12.

4. **DRPM (AAA) Advance Amphibious Assault Vehicle**

This USMC acquisition office developed a performance-based system specification in preparation for the post-Milestone I solicitation release. The early AAAV system specification used up to 75 military specifications and standards. Joint Industry/Government participation was included in review and reduction of the use of these military documents. The new version of the system specification uses 7 military specifications and standards.

5. **PEO(A) AH-1W Integrated Weapon System (IWS), Generic Acoustics Stimulation System (GASS)**

Government specification and standard references were reduced in the IWS specification and SOW from 99 to 4, and in the GASS specification and SOW from 64 to 14. There were no military specifications referenced in either the IWS or the GASS solicitation. The stack height of government documentation provided in the GASS solicitation was reduced from an original 24.75 inches to only 7 inches!

6. **PEO(T) JSOW(Unitary), E-2C Mission Computer Upgrade (MCU)**

A JSOW (Unitary) system performance specification, having no military specifications or standards referenced, was written from the combined efforts of a Government and Prime Contractor team. This effort reduced the contract data requirements from 300 to 39.

Military specifications and standards were reduced in the E-2C MCU solicitation from 81 to 1, and 15 non-
Government standards were applied to the mission computer update.

7. **PEO(CU) Joint Tactical Unmanned Aerial Vehicle Maneuver Program, Harpoon/Standoff Land Attack Missile Expanded Response (SLAM ER) Program**

The Joint Tactical Unmanned Aerial Vehicle Maneuver Program only cited one military standard for the E&MD solicitation, and reduced the data requirements from 179 to 68. The SLAM ER Program team evaluated and reduced the original 104 military specifications and standards for the Milestone II/IV solicitation to 54, of which 48 were common to and part of the ongoing SLAM production program. Only 6 military documents were unique to SLAM ER.

8. **DRPM AEGIS**

There are several initiatives underway within the AEGIS Program to reduce the use of military specifications and standards. The AEGIS Weapon System (AWS) production contracts and FY 96-98 procurement solicitation are under review for reduction of military specifications and standards and conversion to commercial specifications. A Special Studies Initiative with the shipyards is in progress to evaluate candidate commercial replacements to military specifications and standards, i.e., vaneaxial fans, pressure gages, air conditioning and refrigeration equipment, pipe bending out-of-roundness criteria. Use of COTS equipment and computer programs is emphasized, i.e., use of COTS CPUs as replacement for AN/UYK-43 computers in future baselines.

9. **NAVSEA Amphibious Warfare Program (PMS 377)**

The Amphibious Warfare Program funded a study from the shipbuilder to determine whether commercial standards and equipment could replace the government standards in order to reduce the cost of the LHD 5 and 6. 74 items were identified by the shipbuilder and are currently under NAVSEA review. However, past experience in using commercial standards does not always result in cost savings. Lower initial cost alternative equipments were used in certain applications on LHD 2-4 ships which resulted in the expenditure of significant labor and material cost to fix problems due to the installation of technically inferior equipment. During the contract development phase for LHD 5, alternatives to equipment specifications were identified, resulting in a cost avoidance of $19M. The design and technical data package of the Global Positioning System Interface Unit (GPSIU) initially cited 118 military specifications and standards. After review, the final solicitation cited 10 specifications and standards as requirements.

This sampling of "success stories" and lessons learned confirms that DoN Program Managers are pursuing "the new way of doing business" Secretary Perry described in his June 29, 1994, policy memo on Specs & Standards. However, simply removing military specifications and standards from solicitations is not enough if the specification requirements are still written in "how to" terms. The intent of "the new way of doing business" is to write requirements in performance terms, or, in other words, to only tell contractors "what" we want.

Within DoN, the focus during the next year for the preparation of performance-based solicitations will be:

(1) Training, including writing performance specifications, writing performance-based Statements Of Work, and conducting best value source selection.

(2) Sharing Program Manager's lessons learned among acquisition personnel on the preparation of performance-based solicitations.

(3) Obtaining Industry feedback on the effectiveness of the DoN in removing barriers to the integration of the commercial and military industrial bases.

(4) Conducting "RFP scrubs" for the purpose of determining to what extent the solicitation is written in performance terms, determining if the solicitation will result in the use of commercial practices, and identifying and recommending lessons

learned to help Program Offices and acquisition managers with future solicitations.

In addition to establishing a performance-oriented solicitation process, the DoN Standards Improvement Program includes two other primary thrust areas: implementing document improvement and facilitating cultural change.

Implementing document improvement initially includes the process of reviewing and making decisions on the disposition of approximately 9000 DoN military specifications and standards. The disposition categories available include cancellation, conversion to a non-Government standard, rewriting as a performance specification or as Commercial Item Description, or updating and retention as a military-unique specification or standard. This intense review is in progress by the System Commands with expected completion this summer. After disposition decisions are made, the process of changing the documents by the Systems Commands will begin and continue through the next few years. Military specifications and standards identified as being major "cost drivers" by industry and those identified by Program Managers as being acquisition critical are scheduled to receive priority action for disposition.

Though one radical approach to the implementation of the new directive to use performance and commercial specifications is to cancel all military specifications and standards, there is still a need for some military documents in military-unique applications. The effort and expense in reviewing and determining which military specifications and standards to retain, convert to commercial, or cancel are necessary and value-added for long term cost-savings benefits.

Facilitating cultural change is primarily being accomplished through training. There is a significant ongoing effort in developing an effective specs & standards training program. Training is vital to the success of the reform initiative. The DoN specs and standards reform training approach includes a variety of vehicles for "getting the message out," including formal classroom setting, forums for sharing lessons learned, and disseminating information via electronic media. The formal classroom training curriculum uses newly developed materials alongside OSD/Army/Air Force experience and existing training packages. One-day formal training in writing performance specifications is currently being offered, and the process for the conversion of military standards is under development. Previously developed training courses in writing Statements of Work and in Best Value Source Selection are being evaluated and revised for application to DoN acquisition programs. Training in the use of available automated and written acquisition tools is planned later this summer.

In addition, there are other training courses offered through the Defense Acquisition University. These provide other tools for specs and standards improvement including Commercial Item Descriptions, Non-Developmenmtal Item Acquisition, a one-week Specifications Management course, and a two-week Specifications Users course.

SPAWAR Reservists answer SECDEF call

Naval Reservists assigned to the space and Naval Warfare Systems Command (SPAWAR) are taking a leadership role in implementing the Secretary of Defense’s direction to increase Department of Defense (DoD) access to commercial state-of-the-art technology and integration of commercial and military processes and products. Recognizing an opportunity to apply its unique resources to a highly visible program, SPAWAR called upon its support Naval Reserve units to help implement its part of the Department of the Navy’s Standards Improvement Program.

Naval reservists possess a wide range of civilian industry technical expertise and understanding of product availability in the marketplace. Reserve units assigned to SPAWAR are applying this expertise by assigning qualified reservists to augment SPAWAR’s

Expert Teams. These reservists provide direct support by conducting side-by-side comparisons of SPAWAR designated acquisition critical military specifications and standards (MIL-SPECS/STDS) and related industry standards and processes. Using the results of these comparisons, SPAWAR reservists recommend commercial alternatives to the MIL-SPECS/STDS and identify the associated risks.

SPAWAR reserve units are carrying out their reviews using the latest information technologies. To increase reservists' participation among the units located nationwide, a dedicated SPAWAR computer file server is available via internet for locating, retrieving, and analyzing documents that describe current industry practices and procedures. For examle, this allows reserve units located in San Diego to have access to the same information as a unit located in Providence, Rhode Island. These on-line capabilities permit access anytime, anyplace and are particularly useful for researching remote industry standards databases, government resources, university libraries and corporation's public access files. Using the same technology, the reservists can quickly make the results of their reviews available to program managers. During their two weeks of annual training, reservists also provide direct support to the SPAWAR Command Standards Improvement Executive (CSIE) by coordinating the activities of participating reserve units. They are also providing information to the other major Navy Systems Commands that are using reservists in their Standards Improvement Programs.

During the next year and beyond, this new program will review all of the MIL-SPECS/STDS identified by SPAWAR as acquisition critical. After the program matures, the reserve units will begin conducting annual maintenance reviews to ensure that the commercial standards and processes identified continue to be suitable MIL-SPEC/STD alternatives. SPAWAR expects this to be a continuing program and is taking steps to assign Naval Reserve Individual Training Plan requirements to institutionalize the program.

This approach to implementing the DoN Standards Improvement Program allows SPAWAR to make the best use of naval reservist technical expertise. The leadership role taken by these reservists is giving SPAWAR, and ultimately other Navy and DoD components, the information it needs to properly integrate industry standards, processes and practices into the contract development process.

Anyone interested in learning more about this program may contact Dennis Rilling, the SPAWAR CSIE, at DSN 332-4820 or (703) 602-4820 (e-mail rillingd@spawar,navy,mil) or CAPT Larry Pipes, the SPAWAR Reserve Project Officer, at (703) 602-1053 (e-mail: reserv10@spawar,navy.mil).

Society of Logistics Engineers holds conference

The Society of Logistics Engineers will hold the 30th Annual International Logistics Conference & Exposition: *SOLE 95--Forging Logistics Partnerships* on August 22-24, 1995, at the Hyatt Regency Hill Country Resort, Santonio, Texas. The program will cover specific Acquistiion Reform topics such as commercialization and the impact on logistics. The Keynote Speaker is GEN Henry Viccellio, Jr., USAF, Commander, Air Force Materiel Command. For more information, contact Glenn Wisbey at the Society of Logistics Engineers, (301)459-8446 or FAX (301)459-1522.

Share your lessons learned! To contribute to the *AR Update*, call or visit Alex Dean at (703)602-0263, CP#5, room 924, Crystal City, VA, or FAX (703)602-5481 or E-Mail: (DEAN_ALEX@ASNRDAD.ACQ-REF.NAVY.MIL)

planned for this Fall, and a DoN CEO Conference is tentatively scheduled for November.

Navy solicits Industry comments on Specs & Stds Reform

To facilitate the removal of barriers to integration of commercial and military industrial bases, the Department of the Navy (DoN) recently solicited comments from industry through a Commerce Business Daily (CBD) ad. The ad, appearing in the CBD mailed on May 18, 1995, asked interested parties to provide answers to the following questions:

(1) Do you feel that DoN acquisition solicitations or Requests for Proposals are meeting the intent of the Secretary of Defense goal of removing barriers to integration of commercial and military industrial bases?

(2) What specific initiatives should be taken to improve the implementation of integrating the industrial bases? What changes in solicitations or contracts do you recommend for accomplishing industrial base integration?

(3) Do you feel that more joint Industry/Government forums or conferences are needed, in addition to those that are already scheduled through Industry Associations and Professional Societies? If so, what do you recommend for improving the Industry/Government dialogue and dissemination of information?

(4) What specifications and standards reform topics would you be interested in obtaining more information about in a joint Industry/Government forum, or in a separate Industry forum? Which type of forum do you prefer?

Responses were directed to CDR Bob Petroka, DoN Standards Improvement Executive, (703) 602-0136 or E-mail (PETROKA_BOB@ASNRDAD.ACQ-REF.NAVY.MIL). Joint Government/Industry Roadshows are